

AMENDED IN ASSEMBLY APRIL 1, 1997

CALIFORNIA LEGISLATURE—1997–98 REGULAR SESSION

ASSEMBLY BILL

No. 1306

Introduced by Assembly Member Granlund

February 28, 1997

An act to amend Sections 5775, 5777, and 5778 of the Welfare and Institutions Code, relating to human services, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1306, as amended, Granlund. Mental health services.

Existing law requires the State Department of Mental Health to implement mental health managed care services for Medi-Cal beneficiaries.

Existing law requires the department to adopt emergency regulations to implement provisions relating to sanctions that the department may impose under these provisions.

This bill would *also* permit the department to adopt emergency regulations implementing ~~all of the payment systems for~~ these mental health managed care services provisions. ~~It would, however, eliminate the authority to impose these sanctions.~~

Existing law provided that, to the extent permitted by federal law, either the department or a contracting mental health plan may request that contracting negotiations be reopened during the course of a contract due to substantial changes in the cost of covered benefits that result from new

legislative requirements affecting the scope of services or the eligible population or due to another unanticipated event.

This bill would limit the grounds for reopening negotiations to an unanticipated event.

This bill would also specify that a mental health plan's obligations may only be changed by contract or contract amendment, and that a change may be made during a contract term or at the time of contract renewal, where there is a change in obligations required by federal or state law or required by a change in the interpretation of federal or state law or regulations.

The bill would also require the department to establish, by regulation, a risk-sharing arrangement between the department and counties that contract to provide mental health managed care services, in order to provide, under specified circumstances, an increase in the state General Fund allocation.

This bill would declare that it would take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 5775 of the Welfare and
2 Institutions Code is amended to read:
3 5775. (a) Notwithstanding any other provision of
4 state law, the State Department of Mental Health shall
5 implement managed mental health care for Medi-Cal
6 beneficiaries through fee-for-service or capitated rate
7 contracts with mental health plans, including individual
8 counties, counties acting jointly, any qualified individual
9 or organization, or a nongovernmental entity. A contract
10 may be exclusive and may be awarded on a geographic
11 basis.
12 (b) Two or more counties acting jointly may agree to
13 deliver or subcontract for the delivery of mental health
14 services. The agreement may encompass all or any
15 portion of the mental health services provided pursuant
16 to this part. This agreement shall not relieve the



1 individual counties of financial responsibility for
2 providing these services. Any agreement between
3 counties shall delineate each county's responsibilities and
4 fiscal liability.

5 (c) The department shall offer to contract with each
6 county for the delivery of mental health services to that
7 county's Medi-Cal beneficiary population prior to
8 offering to contract with any other entity, upon terms at
9 least as favorable as any offered to a noncounty contract
10 provider. If a county elects not to contract with the
11 department, does not renew its contract, or does not meet
12 the minimum standards set by the department, the
13 department may elect to contract with any other
14 governmental or nongovernmental entity for the
15 delivery of mental health services in that county and may
16 administer the delivery of mental health services until a
17 contract for a mental health plan is implemented. The
18 county may not subsequently contract to provide mental
19 health services under this part unless the department
20 elects to contract with the county.

21 (d) If a county does not contract with the department
22 to provide mental health services, the county shall
23 transfer the responsibility for community Medi-Cal
24 reimbursable mental health services and the anticipated
25 county matching funds needed for community Medi-Cal
26 mental health services in that county to the department.
27 The amount of the anticipated county matching funds
28 shall be determined by the department in consultation
29 with the county, and shall be adjusted annually. The
30 amount transferred shall be based on historical cost,
31 adjusted for changes in the number of Medi-Cal
32 beneficiaries and other relevant factors. The anticipated
33 county matching funds shall be used by the department
34 to contract with another entity for mental health services,
35 and shall not be expended for any other purpose but the
36 provision of those services and related administrative
37 costs. The county shall continue to deliver non-Medi-Cal
38 reimbursable mental health services in accordance with
39 this division, and subject to subdivision (i) of Section 5777.

1 (e) (1) Whenever the department determines that a
2 mental health plan has failed to comply with this part or
3 any regulations adopted pursuant to this part that
4 implement this part, the department may impose
5 sanctions, including, but not limited to, fines, penalties,
6 the withholding of payments, special requirements,
7 probationary or corrective actions, or any other actions
8 deemed necessary to prompt and ensure contract and
9 performance compliance. If fines are imposed by the
10 department, they may be withheld from the state
11 matching funds provided to a mental health plan for
12 Medi-Cal mental health services.

13 (2) The department shall adopt emergency
14 regulations necessary to implement paragraph (1),
15 including the establishment of procedures for the appeal
16 of an administrative finding relative to paragraph (1), in
17 accordance with the Administrative Procedure Act
18 (Chapter 3.5 (commencing with Section 11340) of Part 1
19 of Division 3 of Title 2 of the Government Code). The
20 initial adoption of emergency regulations pursuant to this
21 paragraph shall be deemed to be an emergency and
22 necessary for the immediate preservation of the public
23 peace, health, and safety, or general welfare, and shall be
24 exempt from the review or approval of the Office of
25 Administrative Law. Regulations adopted pursuant to
26 this paragraph shall remain in effect for not more than 180
27 days. These regulations shall be developed in consultation
28 with a statewide organization representing counties.

29 (f) The department may adopt emergency
30 regulations necessary to implement the payment systems
31 in this part, in accordance with the Administrative
32 Procedure Act (Chapter 3.5 (commencing with Section
33 11340) of Part 1 of Division 3 of Title 2 of the Government
34 Code). The adoption of emergency regulations to
35 implement this part, that are filed with the Office of
36 Administrative Law within one year of the date on which
37 the act that amended this subdivision in 1997 took effect,
38 shall be deemed to be an emergency and necessary for
39 the immediate preservation of the public peace, health,

1 and safety, or general welfare, and shall remain in effect
2 for no more than 180 days.

3 SEC. 2. Section 5777 of the Welfare and Institutions
4 Code is amended to read:

5 5777. (a) (1) Except as otherwise specified in this
6 part, a contract entered into pursuant to this part shall
7 include a provision that the mental health plan contractor
8 shall bear the financial risk for the cost of providing
9 medically necessary mental health services to Medi-Cal
10 beneficiaries irrespective of whether the cost of those
11 services exceeds the payment set forth in the contract. If
12 the expenditures for services do not exceed the payment
13 set forth in the contract, the mental health plan
14 contractor shall report the unexpended amount to the
15 department, but shall not be required to return the excess
16 to the department.

17 (2) If the mental health plan is not the county's, the
18 mental health plan may not transfer the obligation for any
19 mental health services to Medi-Cal beneficiaries to the
20 county. The mental health plan may purchase services
21 from the county. The mental health plan shall establish
22 mutually agreed-upon protocols with the county that
23 clearly establish conditions under which beneficiaries
24 may obtain non-Medi-Cal reimbursable services from the
25 county. Additionally, the plan shall establish mutually
26 agreed-upon protocols with the county for the conditions
27 of transfer of beneficiaries who have lost Medi-Cal
28 eligibility to the county for care under Part 2
29 (commencing with Section 5600), Part 3 (commencing
30 with Section 5800), and Part 4 (commencing with Section
31 5850).

32 (3) The mental health plan shall be financially
33 responsible for ensuring access and a minimum required
34 scope of benefits, consistent with state and federal
35 requirements, to the services to the Medi-Cal
36 beneficiaries of that county regardless of where the
37 beneficiary resides. The department shall require that
38 the definition of medical necessity used, and the
39 minimum scope of benefits offered, by each mental
40 health contractor be the same, except to the extent that

1 any variations receive prior federal approval and are
2 consistent with state and federal statutes and regulation.

3 (b) Any contract entered into pursuant to this part
4 may be renewed if the plan continues to meet the
5 requirements of this part, regulations promulgated
6 pursuant thereto, and the terms and conditions of the
7 contract. Contract renewal shall be on an annual basis.
8 Failure to meet these requirements shall be cause for
9 nonrenewal of the contract. The department may base
10 the decision to renew on timely completion of a mutually
11 agreed upon plan of correction of any deficiencies,
12 submissions of required information in a timely manner,
13 or other conditions of the contract.

14 (c) (1) The obligations of the mental health plan shall
15 be changed only by contract or contract amendment.

16 (2) A change may be made during a contract term or
17 at the time of contract renewal, where there is a change
18 in obligations required by federal or state law, ~~or~~ *or when*
19 required by a change in the interpretation or
20 implementation of any law or regulation. To the extent
21 permitted by federal law and except as provided under
22 subdivision (r) of Section 5778, if any change in
23 obligations occurs that affects the cost to the mental
24 health plan of performing under the terms of its contract,
25 the department may reopen contracts to negotiate the
26 state general fund allocation to the mental health plan
27 under Section 5778, if the mental health plan is
28 reimbursed through a fee-for-service payment system, or
29 the capitation rate to the mental health plan under
30 Section 5779, if the mental health plan is reimbursed
31 through a capitated rate payment system. During the
32 time period required to redetermine the allocation or
33 rate, payment to the mental health plan of the allocation
34 or rate in effect at the time the change occurred shall be
35 considered interim payments and shall be subject to
36 increase or decrease, as the case may be, effective as of the
37 date on which the change is effective.

38 (3) To the extent permitted by federal law, either the
39 department or the mental health plan may request that
40 contract negotiations be reopened during the course of a

1 contract due to substantial changes in the cost of covered
2 benefits that result from an unanticipated event.

3 (d) The department shall immediately terminate a
4 contract when the director finds that there is an
5 immediate threat to the health and safety of Medi-Cal
6 beneficiaries. Termination of the contract for other
7 reasons shall be subject to reasonable notice of the
8 department's intent to take that action and notification of
9 affected beneficiaries. The plan may request a public
10 hearing by the Office of Administrative Hearings.

11 (e) A plan may terminate its contract in accordance
12 with the provisions in the contract. The plan shall provide
13 written notice to the department at least 180 days prior
14 to the termination or nonrenewal of the contract.

15 (f) Upon the request of the Director of Mental Health,
16 the Commissioner of Corporations may exempt a mental
17 health plan contractor or a capitated rate contract from
18 the Knox-Keene Health Care Service Plan Act of 1975
19 (Chapter 2.2 (commencing with Section 1340) of
20 Division 2 of the Health and Safety Code). These
21 exemptions may be subject to conditions the director
22 deems appropriate. Nothing in this part shall be
23 construed to impair or diminish the authority of the
24 Commissioner of Corporations under the Knox-Keene
25 Health Care Service Plan Act of 1975, nor shall anything
26 in this part be construed to reduce or otherwise limit the
27 obligation of a mental health plan contractor licensed as
28 a health care service plan to comply with the
29 requirements of the Knox-Keene Health Care Service
30 Plan Act of 1975, and the rules of the Commissioner of
31 Corporations promulgated thereunder. The Director of
32 Mental Health, in consultation with the Commissioner of
33 Corporations, shall analyze the appropriateness of
34 licensure or application of applicable standards of the
35 Knox-Keene Health Care Service Plan Act of 1975.

36 (g) The department, pursuant to an agreement with
37 the State Department of Health Services, shall provide
38 oversight to the mental health plans to ensure quality,
39 access, and cost efficiency. At a minimum, the
40 department shall, through a method independent of any

1 agency of the mental health plan contractor, monitor the
2 level and quality of services provided, expenditures
3 pursuant to the contract, and conformity with federal and
4 state law.

5 (h) County employees implementing or
6 administering a mental health plan act in a discretionary
7 capacity when they determine whether or not to admit
8 a person for care or to provide any level of care pursuant
9 to this part.

10 (i) If a county chooses to discontinue operations as the
11 local mental health plan, the new plan shall give
12 reasonable consideration to affiliation with nonprofit
13 community mental health agencies that were under
14 contract with the county and that meet the mental health
15 plan's quality and cost efficiency standards.

16 (j) Nothing in this part shall be construed to modify,
17 alter, or increase the obligations of counties as otherwise
18 limited and defined in Chapter 3 (commencing with
19 Section 5700) of Part 2. The county's maximum obligation
20 for services to persons not eligible for Medi-Cal shall be
21 no more than the amount of funds remaining in the
22 mental health subaccount pursuant to Sections 17600,
23 17601, 17604, 17605, 17606, and 17609 after fulfilling the
24 Medi-Cal contract obligations.

25 SEC. 3. Section 5778 of the Welfare and Institutions
26 Code is amended to read:

27 5778. (a) This section shall be limited to mental
28 health services reimbursed through a fee-for-service
29 payment system.

30 (b) During the initial phases of the implementation of
31 this part, as determined by the department, the mental
32 health plan contractor and subcontractors shall submit
33 claims under the Medi-Cal program for eligible services
34 on a fee-for-service basis.

35 (c) A qualifying county may elect, with the approval
36 of the department, to operate under the requirements of
37 a capitated, integrated service system field test pursuant
38 to Section 5719.5 rather than this part, in the event the
39 requirements of the two programs conflict. A county that
40 elects to operate under that section shall comply with all

1 other provisions of this part that do not conflict with that
2 section.

3 (d) (1) No sooner than October 1, 1994, state
4 matching funds for Medi-Cal fee-for-service acute
5 psychiatric inpatient services, and associated
6 administrative days, shall be transferred to the
7 department. No later than July 1, 1997, upon agreement
8 between the department and the State Department of
9 Health Services, state matching funds for the remaining
10 Medi-Cal fee-for-service mental health services and the
11 state matching funds associated with field test counties
12 under Section 5719.5 shall be transferred to the
13 department.

14 (2) The department, in consultation with the State
15 Department of Health Services, a statewide organization
16 representing counties, and a statewide organization
17 representing health maintenance organizations shall
18 develop a timeline for the transfer of funding and
19 responsibility for fee-for-service mental health services
20 from Medi-Cal managed care plans to mental health
21 plans. In developing the timeline, the department shall
22 develop screening, referral, and coordination guidelines
23 to be used by Medi-Cal managed care plans and mental
24 health plans.

25 (e) The department shall allocate the contracted
26 amount at the beginning of the contract period to the
27 mental health plan. The allocated funds shall be
28 considered to be funds of the plan that may be held by the
29 department. The department shall develop a
30 methodology to ensure that these funds are held as the
31 property of the plan and shall not be reallocated by the
32 department or other entity of state government for other
33 purposes.

34 (f) Beginning in the fiscal year following the transfer
35 of funds from the State Department of Health Services,
36 the state matching funds for Medi-Cal mental health
37 services shall be included in the annual budget for the
38 department. The amount included shall be based on
39 historical cost, adjusted for changes in the number of
40 Medi-Cal beneficiaries and other relevant factors.

1 (g) Initially, the mental health plans shall use the fiscal
2 intermediary of the Medi-Cal program of the State
3 Department of Health Services for the processing of
4 claims for inpatient psychiatric hospital services and may
5 be required to use that fiscal intermediary for the
6 remaining mental health services. The providers for
7 other Short-Doyle Medi-Cal services shall not be initially
8 required to use the fiscal intermediary but may be
9 required to do so on a date to be determined by the
10 department. The department and its mental health plans
11 shall be responsible for the initial incremental increased
12 matching costs of the fiscal intermediary for claims
13 processing and information retrieval associated with the
14 operation of the services funded by the transferred funds.

15 (h) The mental health plans, subcontractors, and
16 providers of mental health services shall be liable for all
17 federal audit exceptions or disallowances based on their
18 conduct or determinations. The mental health plan
19 contractors shall not be liable for federal audit exceptions
20 or disallowances based on the state's conduct or
21 determinations. The department and the State
22 Department of Health Services shall work jointly with
23 mental health plans in initiating any necessary appeals.
24 The State Department of Health Services may offset the
25 amount of any federal disallowance or audit exception
26 against subsequent claims from the mental health plan or
27 subcontractor. This offset may be done at any time, after
28 the audit exception or disallowance has been withheld
29 from the federal financial participation claim made by
30 the State Department of Health Services. The maximum
31 amount that may be withheld shall be 25 percent of each
32 payment to the plan or subcontractor.

33 (i) The mental health plans shall have sufficient funds
34 on deposit with the department as the matching funds
35 necessary for federal financial participation to ensure
36 timely payment of claims for acute psychiatric inpatient
37 services and associated administrative days. The
38 department and the State Department of Health
39 Services, in consultation with a statewide organization
40 representing counties, shall establish a mechanism to

1 facilitate timely availability of those funds. Any funds held
2 by the state on behalf of a plan shall be deposited in a
3 mental health managed care deposit fund and shall
4 accrue interest to the plan. The department shall exercise
5 any necessary funding procedures pursuant to Section
6 12419.5 of the Government Code and Sections 8776.6 and
7 8790.8 of the State Administrative Manual regarding
8 county claim submission and payment.

9 (j) (1) The goal for funding of the future capitated
10 system shall be to develop statewide rates for beneficiary,
11 by aid category and with regional price differentiation,
12 within a reasonable time period. The formula for
13 distributing the state matching funds transferred to the
14 department for acute inpatient psychiatric services to the
15 participating counties shall be based on the following
16 principles:

17 (A) Medi-Cal state General Fund matching dollars
18 shall be distributed to counties based on historic Medi-Cal
19 acute inpatient psychiatric costs for the county's
20 beneficiaries and on the number of persons eligible for
21 Medi-Cal in that county.

22 (B) All counties shall receive a baseline based on
23 historic and projected expenditures up to October 1, 1994.

24 (C) Projected inpatient growth for the period
25 October 1, 1994, to June 30, 1995, inclusive, shall be
26 distributed to counties below the statewide average per
27 eligible person on a proportional basis. The average shall
28 be determined by the relative standing of the aggregate
29 of each county's expenditures of mental health Medi-Cal
30 dollars per beneficiary. Total Medi-Cal dollars shall
31 include both fee-for-service Medi-Cal and Short-Doyle
32 Medi-Cal dollars for both acute inpatient psychiatric
33 services, outpatient mental health services, and
34 psychiatric nursing facility services, both in facilities that
35 are not designated as institutions for mental disease and
36 for beneficiaries who are under 22 years of age and
37 beneficiaries who are over 64 years of age in facilities that
38 are designated as institutions for mental disease.

39 (D) There shall be funds set aside for a self-insurance
40 risk pool for small counties. The department may provide

1 these funds directly to the administering entity
2 designated in writing by all counties participating in the
3 self-insurance risk pool. The small counties shall assume
4 all responsibility and liability for appropriate
5 administration of these funds. For purposes of this
6 subdivision, “small counties” means counties with less
7 than 200,000 population. Nothing in this paragraph shall
8 in any way obligate the state or the department to
9 provide or make available any additional funds beyond
10 the amount initially appropriated and set aside for each
11 particular fiscal year, unless otherwise authorized in
12 statute or regulations, nor shall the state or the
13 department be liable in any way for mismanagement of
14 loss of funds by the entity designated by the counties
15 under this paragraph.

16 (2) The allocation method for state funds transferred
17 for acute inpatient psychiatric services shall be as follows:

18 (A) For the 1994–95 fiscal year, an amount equal to
19 0.6965 percent of the total shall be transferred to a fund
20 established by small counties. This fund shall be used to
21 reimburse mental health plans in small counties for the
22 cost of acute inpatient psychiatric services in excess of the
23 funding provided to the mental health plan for risk
24 reinsurance, acute inpatient psychiatric services and
25 associated administrative days, alternatives to hospital
26 services as approved by participating small counties, or
27 for costs associated with the administration of these
28 moneys. The methodology for use of these moneys shall
29 be determined by the small counties, through a statewide
30 organization representing counties, in consultation with
31 the department.

32 (B) The balance of the transfer amount for the 1994–95
33 fiscal year shall be allocated to counties based on the
34 following formula:

35

36 County	Percentage
37 Alameda	3.5991
38 Alpine .....	.0050
39 Amador .....	.0490
40 Butte .....	.8724

1	Calaveras .....	.0683
2	Colusa .....	.0294
3	Contra Costa	1.5544
4	Del Norte .....	.1359
5	El Dorado .....	.2272
6	Fresno	2.5612
7	Glenn .....	.0597
8	Humboldt .....	.1987
9	Imperial .....	.6269
10	Inyo .....	.0802
11	Kern	2.6309
12	Kings .....	.4371
13	Lake .....	.2955
14	Lassen .....	.1236
15	Los Angeles	31.3239
16	Madera .....	.3882
17	Marin	1.0290
18	Mariposa .....	.0501
19	Mendocino .....	.3038
20	Merced .....	.5077
21	Modoc .....	.0176
22	Mono .....	.0096
23	Monterey .....	.7351
24	Napa .....	.2909
25	Nevada .....	.1489
26	Orange	8.0627
27	Placer .....	.2366
28	Plumas .....	.0491
29	Riverside	4.4955
30	Sacramento	3.3506
31	San Benito .....	.1171
32	San Bernardino	6.4790
33	San Diego	12.3128
34	San Francisco	3.5473
35	San Joaquin	1.4813
36	San Luis Obispo .....	.2660
37	San Mateo .....	.0000
38	Santa Barbara .....	.0000
39	Santa Clara	1.9284



1	Santa Cruz	1.7571
2	Shasta .....	.3997
3	Sierra .....	.0105
4	Siskiyou .....	.1695
5	Solano .....	.0000
6	Sonoma .....	.5766
7	Stanislaus	1.7855
8	Sutter/Yuba .....	.7980
9	Tehama .....	.1842
10	Trinity .....	.0271
11	Tulare	2.1314
12	Tuolumne .....	.2646
13	Ventura .....	.8058
14	Yolo .....	.4043

15

16 (k) The allocation method for the state funds
 17 transferred for subsequent years for acute inpatient
 18 psychiatric and other mental health services shall be
 19 determined by the department in consultation with a
 20 statewide organization representing counties.

21 (l) The allocation methodologies described in this
 22 section shall only be in effect while federal financial
 23 participation is received on a fee-for-service
 24 reimbursement basis. When federal funds are capitated,
 25 the department, in consultation with a statewide
 26 organization representing counties, shall determine the
 27 methodology for capitation consistent with federal
 28 requirements.

29 (m) The formula that specifies the amount of state
 30 matching funds transferred for the remaining Medi-Cal
 31 fee-for-service mental health services shall be
 32 determined by the department in consultation with a
 33 statewide organization representing counties. This
 34 formula shall only be in effect while federal financial
 35 participation is received on a fee-for-service
 36 reimbursement basis.

37 (n) Upon the transfer of funds from the budget of the
 38 State Department of Health Services to the department
 39 pursuant to subdivision (d), the department shall assume
 40 the applicable program oversight authority formerly

1 provided by the State Department of Health Services,
2 including, but not limited to, the oversight of utilization
3 controls as specified in Section 14133. The mental health
4 plan shall include a requirement in any subcontracts that
5 all inpatient subcontractors maintain necessary licensing
6 and certification. Mental health plans shall require that
7 services delivered by licensed staff are within their scope
8 of practice. Nothing in this part shall prohibit the mental
9 health plans from establishing standards that are in
10 addition to the minimum federal and state requirements,
11 provided that these standards do not violate federal and
12 state Medi-Cal requirements and guidelines.

13 (o) Subject to federal approval and consistent with
14 state requirements, the mental health plan may negotiate
15 rates with providers of mental health services.

16 (p) Under the fee-for-service payment system, any
17 excess in the payment set forth in the contract over the
18 expenditures for services by the plan shall be spent for the
19 provision of mental health services and related
20 administrative costs.

21 (q) Nothing in this part shall limit the mental health
22 plan from being reimbursed appropriate federal financial
23 participation for any qualified services even if the total
24 expenditures for service exceeds the contract amount
25 with the department. Matching nonfederal public funds
26 shall be provided by the plan for the federal financial
27 participation matching requirement.

28 (r) (1) The department shall establish, by regulation,
29 a risk-sharing arrangement between the department and
30 counties that contract with the department as mental
31 health plans to provide an increase in the state general
32 fund allocation, subject to the availability of funds, to the
33 mental health plan under this section, where there is a
34 change in the obligations of the mental health plan
35 required by federal or state law or regulation, or required
36 by a change in the interpretation or implementation of
37 any such law or regulation which significantly increases
38 the cost to the mental health plan of performing under
39 the terms of its contract.

1 (2) During the time period required to redetermine
2 the allocation, payment to the mental health plan of the
3 allocation in effect at the time the change occurred shall
4 be considered an interim payment, and shall be subject
5 to increase effective as of the date on which the change
6 is effective.

7 (3) In order to be eligible to participate in the
8 risk-sharing arrangement, the county shall demonstrate
9 to the satisfaction of the department that the county has
10 committed, or agrees to commit, all funding identified in
11 the total mental health resource base, from whatever
12 source, to be spent on mental health services. Any county
13 that reallocates funds from the mental health account to
14 the social services account or the health services account,
15 in accordance with Section 17600.20 during the fiscal
16 year, shall not be eligible to participate in the risk-sharing
17 arrangement for a period of time established by
18 regulation.

19 SEC. 4. This act is an urgency statute necessary for the
20 immediate preservation of the public peace, health, or
21 safety within the meaning of Article IV of the
22 Constitution and shall go into immediate effect. The facts
23 constituting the necessity are:

24 In order to coordinate and prevent duplication of
25 mental health services for Medi-Cal beneficiaries, to
26 provide access to a broader system of care so that the
27 provision of specialty mental health services and the
28 growth in the cost of funding those services is reduced,
29 and to provide an orderly transfer of responsibilities to
30 the State Department of Mental Health to implement
31 managed mental health care for Medi-Cal beneficiaries,
32 it is necessary that this act go into immediate effect.

